



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
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IN REPLY
REFER TO

DCMC-0

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND
TECHNOLOGY)
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION AND TECHNOLOGY)
DIRECTOR, DEFENSE PROCUREMENT
DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)
ASSISTANT SECRETARY OF THE ARMY (RESEARCH,
DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,
DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION)
DIRECTOR, BALLISTIC MISSILE DEFENSE
ORGANIZATION
THROUGH: DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Single Process Initiative (SPI) Monthly Activity Report

Forwarded for your review is the SPI monthly report for the period ending August 31, 1998. This report features recent SPI successes including SPI Recognition Awards Program Update, SPI links to Integrated Digital Environment, DCMDE SPI Workshop, Boeing Pilot Program Enabler Team Meeting, Lead Commander designation for Corporate Councils and Segment Management Councils, and SPI - Executive Council. A summary of SPI activity for this reporting period is attached, and additional data is available for viewing on our home page (<http://www.dcmc.hq.dla.mil>).

Should you have any questions or concerns regarding information contained in the attached report, please contact Mr. Gordon Elley, SPI/Block Change Management Team Leader at (703) 767-2471.

TIMOTHY P. MALISHENKO
Major General, USAF
Commander

Attachment
cc:
See Distribution

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Single Process Initiative (SPI)
Monthly Report
August 31, 1998

Boeing Pilot Program Enabler Team meeting

- Boeing Pilot Program - Background
 - Pilot Projects for Revolution in Business Affairs are USD (A&T) initiatives under Acquisition Reform.
 - DoD requested Boeing to identify candidate pilot projects.
 - Objective: Validation of savings potential using commercial business and manufacturing for government work.
- Three Pilot Projects Identified:
 - Duluth Facility Conversion – Pilot would convert entire facility operation to commercial processes and business practices.
 - Avionics Production – Provides comparative assessment of Military versus Commercial production of avionics – Utilizes Irving facility to manufacture hardware.
 - C-17 Horizontal Empennage and Engine Nacelles – Subcontracted to Vought Division of Northrop Grumman Corporation.
- Boeing Joint Leadership Council approved pilot programs to proceed with implementation plans.

SPI links to Integrated Digital Environment (IDE)

- DCMC briefed USD (A&T) on IDE Pilot Site Status and how SPI, Corporate Councils and Management Councils are enablers for IDE.
- DCMC's approach to further IDE:
 - Use Corporate Councils and Management Councils at big three (Lockheed Martin, Boeing and Raytheon).
 - Use pilot sites to test concepts and move forward.
 - Conduct outreach activities to seek more opportunities for pilot sites.
- Pilot Sites:
 - Boeing – sites at St. Louis, MO; Seattle, WA; Seal Beach, CA.
 - Raytheon C³ Systems – Marlboro, MA.
 - Lockheed Martin Electronics and Missiles – Orlando, FL.
 - Lockheed Martin Tactical Aircraft Systems – Ft. Worth, TX.
- Progress is being made. Focus is changing from local to enterprise-wide approach/benefits.

DCMDE SPI Workshops

- Defense Contract Management Command District East conducted two SPI Workshops during August 1998
 - August 5, 1998 workshop targeted DCMC Boston area contractors
 - Raytheon hosted the workshop at corporate headquarters in Lexington, MA
 - August 26, 1998 workshop targeted DCMC Atlanta area contractors
 - Boeing North American was the guest contractor, briefing on company's successes with SPI
 - DCMC Headquarters briefed :
 - Overall status of SPI
 - Future visions based on Dr. Gansler's letter
 - DCMDE provided each contractor a checklist to assist the contractor in identifying and submitting potential SPIs

SPI Recognition Awards Update

- On August 20, 1998 General Malishenko announced the winners in six categories of the Second Annual SPI Recognition Awards Program.
- | | |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <u>Categories</u> | <u>Management Council</u> |
| High Payoff Processes | The Boeing Company – Mesa, Mesa, AZ
Lockheed Martin Tactical Aircraft Systems, Ft. Worth, TX |
| Business Reengineering | Rockwell Collins Inc, Gov't Systems, Cedar Rapids, IA
Northrop Grumman Military Aircraft Systems Division,
Hawthorne, CA |
| Acquisition Pollution Prevention | Raytheon Electronic Systems, Bedford, MA
Honeycomb Company of America, Sarasota, FL |
| Supplier Mentoring | Lockheed Martin Tactical Aircraft Systems, Ft. Worth, TX
Northrop Grumman Military Aircraft Systems Division,
Hawthorne, CA |
| International | Diesel Division General Motors, London, ON, Canada |
| Increasing Participation | <u>Contract Administration Office</u>
DCMC San Francisco, CA
DCMC Dayton, OH |
- Award ceremony at DCMC Headquarters, Fort Belvoir, VA on September 29, 1998

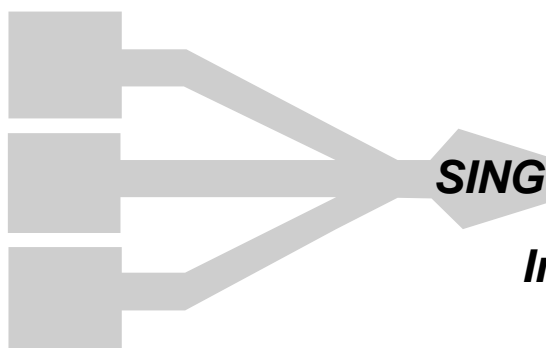
- Dr. Jacques Gansler, Under Secretary of Defense for Acquisition and Technology, will be keynote speaker
- Ms. Katie McGinty, Chair, White House Council on Environmental Quality, invited as additional feature speaker

Lead Commanders Designated for Corporate Councils and Segment Management Councils

- General Malishenko, in tasking memorandum no. 98-260 dated August 27, 1998, designated “Lead Commanders” for existing Corporate Councils and Segment Management Councils.
- Currently, there are five Corporate Councils:
 - Aerojet-General, Allied Signal, Boeing, Lockheed Martin and Raytheon
- In addition there are Segment Management Councils at:
 - Boeing – has three Segment Management Councils
 - Raytheon – has five Segment Management Councils

Summary

- Boeing Pilot Program Enabler Team meeting
- SPI links to Integrated Digital Environment
- DCMDE SPI Workshops
- Update on DCMC sponsored SPI Recognition Awards Program
- Lead Commanders designated for Corporate Councils and Segment Management Councils



SINGLE PROCESS INITIATIVE

Implementation Summary

As of: September 10, 1998

	<i>Contractor Facilities:</i>	<i>297</i>
	<i>Top 200 Corporation Facilities:</i>	<i>164</i>
	<i>International Facilities:</i>	<i>13</i>
	<i>Total Proposed Process Changes:</i>	<i>1481</i>
	<i>Found Technically Unacceptable:</i>	<i>58</i>
	<i>Processes Withdrawn/Disapproved:</i>	<i>276</i>
	<i>Total Block Change Modifications:</i>	<i>1026</i>
	<i>Average days from Submittal to Modification:</i>	<i>138</i>
	<i>Total Open:</i>	<i>179</i>
	<i>* Total Open Aged Over 120 days:</i>	<i>50</i>
Proposal Development (30 Days)	<i>Total Under Development/Awaiting Initial Acceptance:</i>	<i>27</i>
	<i>Total Under Development for More than 30 Days:</i>	<i>23</i>
Approval (60 days)	<i>Total Under Review for Approval:</i>	<i>83</i>
	<i>Disagreements/Problems Escalated:</i>	<i>27</i>
	<i>Total Under Review for More than 60 Days:</i>	<i>38</i>
Modification (30 days)	<i>Total Awaiting Contract Modification:</i>	<i>69</i>
	<i>Total Awaiting Contract Modification for More than 30 Days:</i>	<i>67</i>
Implementation Results	<i>Amount Negotiated:</i>	<i>\$30,225,433</i>
	<i>Estimated Cost Avoidance on Future Contracts:</i>	<i>\$444,701,774</i>

* Does not include Law/Reg Proposals, AP2I